

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

FILED-CLERK
U.S. DISTRICT COURT

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TX EASTERN-MARSHALL

PAID SEARCH ENGINE TOOLS, LLC)

Case No.

BY

Plaintiff,

Judge:

2 - 0 7 C V - 4 0 3

vs.

JURY TRIAL DEMANDED

YAHOO! INC.

Defendant.

COMPLAINT AND DEMAND FOR PATENT INFRINGEMENT

Plaintiff Paid Search Engine Tools, LLC ("PSET"), complains against the
Defendant Yahoo! Inc. ("Yahoo") as follows:

NATURE OF THE ACTION

1. This is an action for patent infringement and arises under the Patent Laws
of the United States, Title 35, United States Code.

THE PARTIES

2. PSET is an Ohio corporation having a place of business at 6426 Hughes
Ridge Lane, Liberty Township, Ohio 45011.

3. On information and belief, Yahoo is a corporation existing under the laws
of Delaware with its principal place of business at 701 First Avenue, Sunnyvale, CA 94089. On
information and belief, Yahoo does substantial, continuous and systematic business in the State

of Texas, including in the Eastern District of Texas and within the jurisdiction of the Marshall Division of the United States District Court for the Eastern District of Texas.

JURISDICTION AND VENUE

4. This is an action for patent infringement and arises under the Patent Laws of the United States, Title 35, United States Code. Federal question jurisdiction is conferred pursuant to 28 U.S.C. §§ 1331 and 1338(a).

5. On information and belief, based upon the substantial, continuous and systematic business activities of Yahoo in the State of Texas, including the Eastern District of Texas and within the jurisdiction of the Marshall Division of the United States District Court for the Eastern District of Texas, and Yahoo's purposefully directed activities to residents of the State of Texas, this Court has personal jurisdiction over Yahoo. Moreover, Yahoo has committed acts of infringement in this district.

6. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b)-(c), and 1400(b).

BACKGROUND FACTS

7. On May 9, 2006, the United States Patent and Trademark Office issued United States Letters Patent No. 7,043,450, entitled "Paid Search Engine Bid Management" ("the '450 patent"). A true and correct copy of the '450 patent is attached hereto as Exhibit 1.

8. PSET holds all right, title and interest in and to the '450 patent with full rights to pursue recovery of royalties or damages for infringement of the '450 patent, including full rights to recover past and future damages.

Count I - Infringement of U.S. Letters Patent No. 7,043,450

9. The allegations of paragraphs 1-8 are incorporated herein by reference as though fully set forth herein.

10. Yahoo has infringed, contributed to the infringement and induced others to infringe the '450 patent and, unless enjoined, will continue to do so by making, using, selling or offering for sale products and services that employ the method(s) claimed by the '450 patent and contributing to or inducing others to employ the method(s) claimed by the '450 patent without license or permission from PSET.

11. On information and belief, the acts of infringement complained of herein are being carried out willfully and with full knowledge by Yahoo of the '450 patent.

12. As a result of Yahoo's actions, PSET has suffered and continues to suffer substantial injury, including irreparable injury, and will result in damages to PSET, including loss of sales and profits, which PSET would have made but for the acts infringement by Yahoo, unless Yahoo is permanently enjoined from infringing the '450 patent.

WHEREFORE, Plaintiff prays for relief against Yahoo as follows:

A. That a judgment be entered that Yahoo has infringed United States Letters Patent No. 7,043,450;

B. That Yahoo, its agents, sales representatives, servants and employees, associates, attorneys, parents, successors and assigns, and any and all persons or entities acting at, through, under or in active concert or participation with it, be enjoined and restrained permanently from infringing United States Letters Patent No. 7,043,450;

C. That a judgment be entered that Yahoo be required to pay over to PSET all damages sustained by PSET due to such acts of infringement and that such damages be trebled pursuant to 35 U.S.C. § 284 for the willful acts of infringement complained of herein;

D. That this case be adjudged and decreed exceptional under 35 U.S.C. § 285 entitling PSET to an award of its reasonable attorney fees and that such reasonable attorney fees be awarded;

E. That PSET be awarded its costs and prejudgment interest on all damages;

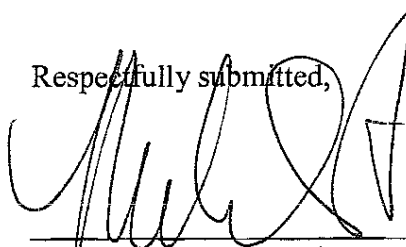
F. That Yahoo be required to file with the Court within thirty days after entry of the final judgment of this case a written statement under oath setting forth in detail the manner in which Yahoo has complied with the judgment; and,

G. That PSET be awarded such other and further relief as the Court deems just and proper.

JURY DEMAND

Plaintiff hereby demands and requests trial by jury of all issues raised that are triable by jury.

Respectfully submitted,



Dated: _____

Melissa Richards Smith
GILLAM & SMITH, L.L.P.
303 S. Washington Avenue
Marshall, Texas 75670
(903) 934-8450
(903) 934-9257 (Facsimile)
Attorneys for Plaintiff

Paid Search Engine Tools, LLC

OF COUNSEL:

J. Robert Chambers, Esq.

jrchambers@whepatent.com

P. Andrew Blatt, Esq.

pblatt@whepatent.com

John Paul Davis, Esq.

jdavis@whepatent.com

Brett A. Schatz, Esq.

bschatz@whepatent.com

WOOD, HERRON & EVANS, L.L.P.

2700 Carew Tower

441 Vine Street

Cincinnati, Ohio 45202-2917

(513) 241-2324

Attorneys for Plaintiff

Paid Search Engine Tools, LLC